



Loss Control

Achieving Return on Investment



Loss Control Program

- Organized effort
- Continuous improvement
- Risk management
- Viewed in financial terms



Debtor Organization



- Costs do not add value to an organization (Corcoran)
- Costs will continue to rise

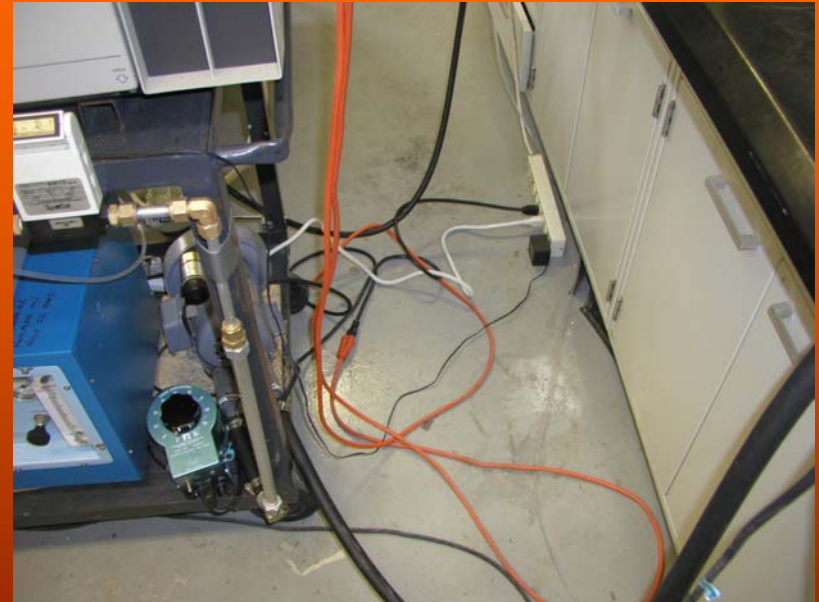
Safety Loss Costs (LaBelle)

Direct

- WC Premium
- Medical
- Accommodation

Indirect

- Lost productivity
- HR/Admin Effort
- Morale



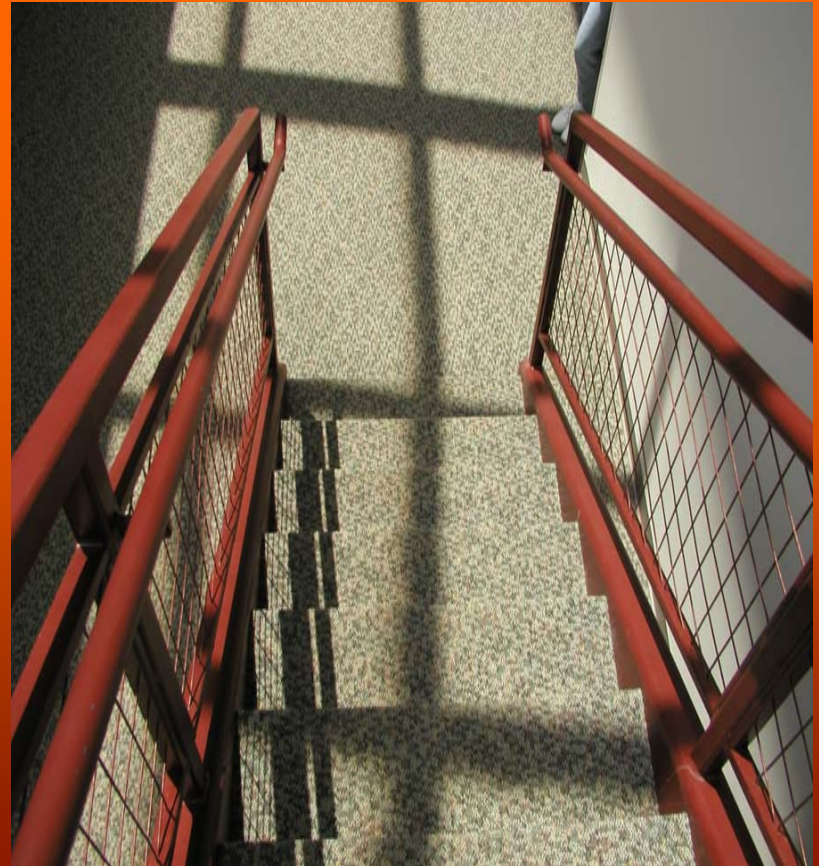
Investing in Safety



- “Investment is a sound business strategy” (ASSE)
- Effective loss control improves workers’ compensation performance (Nave and Veltri).

Positive Effects

- Productivity
- Morale
- Company reputation
- Quality
- Bidding



Reactionary Model



- Business expense
- No control over trends
- Outcome-based rewards
- Compliance-based implementation



Preventative Model

- Broad organizational participation
- Proactively eliminate hazards and exposures
- Understand and control future costs
- Performance and accountability based reward system
- Best practice risk-based implementation

Investment Strategies

Short term returns, lower initial but higher maintenance costs

- Training
- Administrative
- PPE

Long term returns, higher initial but lower maintenance costs

- Engineering controls
- Culture
- Education
- Hiring
- Process improvement

Investment Models (Hansen)



- Program
- Compliance
- Technical
- Culture
- Organization
- Performance leadership
- Behavioral

Voluntary Protection Program

1. Experience
2. Bargaining agent
3. Hazard control
4. Involvement
5. Documentation
6. Training
7. Worksite analysis



Measuring RoI (Jervis & Collins)

1. Hazard prevention and control
2. Management leadership and employee involvement
3. Concurrence of bargaining agent
4. Worksite analysis
5. Review of documentation
6. Safety and health training

Management Motivators (ASSE)

1. WC costs
2. “Right thing to do”
3. “Increases profitability”
4. Federal/state safety rules
5. “Too many accidents”
6. Employee morale
7. Productivity
8. OSHA fines
9. Recommendations of outside experts
10. Employee concerns

What RoI Should I Expect?



- Incident history
- Current costs
- Amount invested
- Support provided
- Prioritization

Direction

- Do your homework
- Management support
- Build safety culture
- Organization
- Communicate
- Hazard control
- Assurance



Final Thoughts



- Don't leave your, your employees', and your organization's futures to chance.
- Implement and manage an effective loss control program.

Questions



Resources

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Resources

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